

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 00-0299P**

**Sales and Use Tax  
Calendar Years 1997 and 1998**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

II. **Tax Administration** – Interest

**Authority:** IC 6-8.1-10-1

Taxpayer protests the interest assessed.

**STATEMENT OF FACTS**

Taxpayer protests the penalty assessed on an audit completed on March 8, 2000.

Taxpayer failed to self assess use tax on clearly taxable items and had no use tax accrual system in place. Taxpayer also failed to report all of its taxable sales and did not keep accurate records.

1. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer's audit report revealed that no use tax accrual system was in place. The taxpayer failed to self assess tax as required by statute.

Taxpayer merely states that the purchases were made out of state and it was misled by the vendors that told him he did not have to pay sales tax if he had a tax ID number.

Taxpayer, however, should be aware of Indiana Tax laws when doing business in this state. Failure to have a use tax accrual system in place constitutes negligence.

### **FINDING**

Taxpayer's protest is denied.

## **II. TAX ADMINISTRATION - Interest**

### **DISCUSSION**

Taxpayer protests the interest assessed.

The Department has not authority to waive interest.

### **FINDING**

Taxpayer's protest is denied.

### **CONCLUSION**

Taxpayer's protest is denied for Issues I and II.